

COBY ELECTRONICS CORPORATION,  
Opposer-Appellant,

-versus-

ALBERT TAN,  
Respondent-Appellee.

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Appeal No. 14-09-43

IPC No. 14-2007-00353

Opposition to:

Application No. 4-2005-002435

Date Filed: 15 March 2005

Trademark: COBY

## DECISION

COBY ELECTRONICS CORPORATION ("Appellant") appeals the decision of the Director of the Bureau of Legal Affairs ("Director") denying the Appellant's opposition to the registration of the mark "COBY" in favor of ALBERT TAN ("Appellee").

Records show that the Appellee filed on 15 March 2005 Trademark Application No. 4-2005-002435 to register COBY for use on goods<sup>1</sup> falling under Class 9 of the Nice Classification.<sup>2</sup> The application was published in the Intellectual Property Office Electronics Gazette for Trademarks on 17 August 2007. On 10 December 2007, the Appellant filed a "NOTICE OF OPPOSITION" alleging the following:

1. It is the prior user and rightful owner of COBY in the Philippines and it filed Trademark Application No. 4-2005-012452 on 12 December 2005 for use of COBY on goods<sup>3</sup> that also fall under Class 9 of the Nice Classification;
2. The Appellee's mark COBY is identical to its mark and is likely, when applied to or used in connection with the Appellee's goods to cause confusion, mistake and deception on the part of the purchasing public by misleading them into thinking that the Appellee's goods either come from or are sponsored or licensed by the Appellant; the goods of the Appellee are identical to its products and both their goods are sold and advertised to consumers through the same channels of trade;
3. The Appellee's registration and use of COBY will diminish the distinctiveness and dilute the goodwill of this mark;
4. The approval of the registration of the Appellee's mark is based on the false representation that the Appellee is the originator, true owner and first user of the mark; this mark was merely copied/derived from its mark; the Appellee has appropriated the identical or confusingly similar mark COBY in bad faith for the obvious purpose of capitalizing upon the renown of the Appellant's self-promoting mark;
5. It is the first user of COBY in the United States of America ("USA") and other countries worldwide for goods in international classes 1, 9 and 16, and services in classes 3, 5, 37, 39 and 42; it adopted and has used commercially COBY for its goods in the USA and other countries long before the Appellee's unauthorized appropriation of COBY; its products bearing the mark COBY have earned goodwill among consumers who have associated the products with the Appellant as the source or origin;
6. It is the registered owner of COBY in the USA and in more than eighty (80) countries worldwide including Argentina, Brazil, Colombia, El Salvador, European Union, Paraguay and Venezuela;
7. The Appellee's appropriation and use of the identical and/or confusingly similar mark COBY infringe upon its exclusive right to COBY which is a well-known mark protected under Sec. 37 of the old Trademark Law, Sections 147 and 165.2(a) of the Intellectual Property Code of the Philippines ("IP Code"), Article 6bis of the Paris Convention for the Protection of Industrial Property ("Paris Convention") and Article 16 of the Agreement on

Trade-Related Aspects of Intellectual Property Rights ("TRIPS Agreement") to which die Philippines and the USA adhere; COBY is also the trade name of the Appellant and is protected in all member countries pursuant to Section 8 of die Paris Convention and Sec. 165.2(a) of die IP Code without the obligation of filing or registration whether or not it forms part of a trademark;

8. The Appellee's infringing use of die trade name and mark COBY is not lawful use in commerce and cannot lead to any legitimate acquisition of rights; and
9. The registration of COBY in die name of the Appellee is contrary to the other provisions of the IP Code.

The Appellant submitted the following evidence to support the opposition:

1. Special Power of Attorney, executed on 15 November 2007;<sup>4</sup>
2. Notice of Opposition, dated 12 September 2007;<sup>5</sup>
3. Affidavit of Richard Goldberg, executed on 26 November 2007;<sup>6</sup>
4. List of registrations and pending applications for COBY;<sup>7</sup>
5. History, organizational chart, and financial statements of the Appellant for 2000 to 2005;<sup>8</sup>
6. Advertisements, newspaper articles and catalogs of COBY products;<sup>9</sup>
7. List of stores where COBY products are sold;<sup>10</sup>
8. List of the Appellant's domain name registrations;<sup>11</sup>
9. Copies of the Appellant's annual financial statements;<sup>12</sup>
10. List and copies of the Appellant's certificates of registration for COBY;<sup>13</sup>
11. Copies of sales invoices;<sup>14</sup> and
12. Sample stationery used by the Appellant.<sup>15</sup>

The Appellee filed his "ANSWER" on 16 April 2008 alleging the following:

1. He has the better right to COBY for goods falling under Class 9 because his application has an earlier filing date than the Appellant;
2. His trademark application was filed on 15 March 2005 while the Appellant's trademark application was filed only on 12 December 2005;
3. COBY is not internationally well-known in favor of the Appellant and is not well-known in the Philippines; and
4. He is presently selling goods covered by Class 9 under the mark COBY and if ever there is goodwill in COBY in the Philippines, it belongs to the Appellee.

The Appellee's evidence consists of the following:

1. Answer of the Appellee, dated 08 April 2008;<sup>16</sup>
2. Undated affidavit of the Appellee;<sup>17</sup>
3. Purchase orders of COBY products;<sup>18</sup> and
4. Packaging materials for COBY products.<sup>19</sup>

In denying the Appellant's opposition, the Director ruled that the Appellant's evidence shows no sufficient proof to merit die contention that COBY is well-known. According to her, the Appellant's mark is registered mainly in a number of countries in Europe, America, Asia and the Middle East and that the Appellant's evidence did not indicate that COBY is advertised and sold to a vast geographical area in die main regions around the world. She held that the pieces of evidence presented by the Appellant mostly photocopies not original, hence, cannot be admitted as evidence. She also ruled that the Appellee has a better right for COBY and that the Appellee's trademark application was filed earlier than the Appellant's application and, thus, deserves priority and protection.

The Appellant filed a "MOTION FOR RECONSIDERATION" on 04 March 2009 which was denied for lack of merit. Dissatisfied, the Appellant filed an "APPEAL MEMORANDUM" on 11 June 2009 alleging that it has presented clear and convincing evidence to establish the well-known status and international renown of COBY. The Appellant asserts that the Appellee is not entitled to the registration of COBY.

This Office issued an Order on 23 June 2009 giving the Appellee thirty (30) days from receipt of the Order to file comment to the appeal. The Appellee did not file his comment and the appeal was deemed submitted for decision.

Pursuant to Office Order No. 197, Series of 2010, Mechanics for IPO-Mediation and Settlement Period, this case was referred to mediation. The parties were ordered to appear in the IPOPHL Mediation Office on 24 February 2011 to consider the possibility of settling the dispute.<sup>20</sup> On 09 August 2011, thus Office received from the IPOPHL Arbitration and Mediation Center a copy of the "MEDIATOR'S REPORT" stating the unsuccessful mediation of this case.

The issue in this appeal is whether the Director was correct in denying the Appellant's opposition to die registration of COBY in favor of the Appellee.

Section 134 of the IP Code states in part that:

SEC. 134. Opposition.- Any person who believes that he would be damaged by the registration of a mark may, upon payment of the required fee and within thirty (30) days after the publication referred to in Subsection 133.2, file «6th the Office an opposition to the application.

In this case, the Appellant filed die opposition claiming that he owned the mark COBY. The Appellant submitted pieces of evidence showing the registration of COBY in different countries in the world and its use of this mark. The Appellant asserts that it has used COBY on consumer electronic goods since 1990 and that it has a pending trademark application to register COBY.<sup>21</sup>

The Director did not give credit to the Appellant's pieces of evidence showing the registration of COBY in other countries on die ground that they are just photocopies and that there are certificates of registrations which are not in d-le English language. However, a scrutiny of these pieces of evidence shows that they are attachment to the affidavit of Richard Goldberg that was duly authenticated by the Philippine Consular Office. These pieces of evidence were submitted by the Appellant to prove its ownership of COBY.

Moreover, Annex "M" of the Manifestation & Motion filed by Appellant on 16 December 2007 which consists of the list and copies of the certificates of registration for COBY in various countries in favor of the Appellant was also legalized and authenticated. While there are copies of certificates of registration which are not in die English language, this is not a justification to exclude all these pieces of evidence. For example, die certificates of registration for CORY issued in favor of the Appellant in the countries of Afghanistan, Belize, Canada, Colombia, Fiji, Jamaica, Jordan, Liberia, Oman, Singapore, China and the USA are in the English language or have the corresponding English translations.

Accordingly, there is proof that the Appellant is the creator and owner of COBY. While the Appellee is the first to file the application to register COBY, it does not follow that he is entitled to the registration of this mark. It is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of die goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to

prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.<sup>22</sup>

In this regard, the registration of COBY in favor of the Appellee would defeat the rationale for trademark registration. The Appellee's use of COBY and the registration of this mark in his favor may likely deceive or cause confusion to the purchasing public as to the source or origin of the products bearing this mark. The public may associate the Appellee's products as being sponsored or part of the business line of the Appellant. As correctly discussed by the Appellant:

31. The registration and use of an identical or confusingly similar trademark by the Respondent-Applicant will tend to deceive and/or confuse purchasers into believing that Applicant's products emanate from or are under the sponsorship of my Company and will damage my Company's interests, as the trademarks are identical and the goods on which the trademarks are used are identical and are sold and advertised to consumers through the same channels of trade.

32. Respondent-Applicant's unauthorized appropriation and use of the trademark COBY will dilute the goodwill and reputation of my Company's well-known trademark COBY among consumers.<sup>23</sup>

Furthermore, the Appellee would have the exclusive rights to use this mark on goods that are similar and related to the goods of the Appellant. This would damage the interests of the Appellant which has proven ownership of COBY and which is also applying for the registration of this mark here in the Philippines on goods similar to the Appellee's class of goods.

When the Appellant instituted this opposition proceeding seeking the rejection of the Appellee's application to register COBY, the latter should have explained how he arrived in coming up with such a distinctive mark as COBY. However, there is nothing in the records - which show that the Appellee created the mark independently and without the knowledge of the Appellant's existing mark for COBY. This mark is quite distinctive and for two persons to independently come up with such an identical mark without any explanation is very remote, if not impossible. Considering that the Appellee's mark is used on electronic goods, just like those of the Appellant's, it is not unlikely that the Appellee knew of the existence of die Appellant's mark. As stated by the Supreme Court in *American Wire & Cable Company vs. Director of Patents*.<sup>24</sup>

Of course, as in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the Appellant had to choose a mark so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark.

The Appellee has in his disposal "millions of terms and combinations of letters and designs" to come up with a mark to distinguish his goods or services. The Appellee's adoption of COBY without any explanation implies his intention to take advantage of the goodwill generated by this mark. In addition, the Appellant's pieces of evidence are sufficient enough for this Office to rule that COBY is an internationally well-known mark. Rule 102 of die Trademark Regulations sets forth the following criteria 11-1 determining whether a mark is well-known:

RULE 102. *Criteria for determining whether a mark is well-known.* — In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- (a) the duration, extent and geographical area of an), use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;

- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in die mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and,
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.

In this instance, the Appellant was able to prove the international reputation of its mark. It presented evidence of the registration of its mark in countries such as Afghanistan, Belize, Canada, Colombia, Fiji, Jamaica, Jordan, Liberia, Oman, Singapore, China and the USA. COBY is also registered in favor of the Appellant in the Office for Harmonization in die Internal Market which administers the community trademark registration of the countries in the European Union. It also submitted copies of advertisements, newspaper articles and catalogs for COBY. These pieces of evidence are proof that COBY has satisfied at least a combination of the criteria set forth in the Trademark Regulations for a mark to be considered 'internationally well-known.

In this regard, Sec. 123.1 (e) of the IP Code provides that a mark cannot be registered if it:

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

COBY being confusingly similar to the internationally well-known mark of the Appellant, it cannot be registered in favor of die Appellee.

Wherefore, premises considered, the appeal is hereby GRANTED. The Appellee's Trademark Application No. 4-2005-002435 for COBY is hereby REJECTED. Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.

November 10, 2011, Taguig City.

RICARDO R. BLANCAFLOR  
Director General

## FOOTNOTES:

1 audio and video equipment, namely blank audio and video headphones, cable, connectors, amplifiers, remote control units, antennas, speakers, telephones, radio receivers, compact disc players and recorders, television sets, video cassette cleaning cassette cartridges; portable stereo systems; namely, cleaning kits, namely video cassette cleaning cassette cartridges; portable stereo systems, namely, speakers, am-fm radio receivers and transmitters, cassette player/ recorders, headphones and earphones, stereo, stereo rack system, namely am-fm radio receivers and transmitters, satellite receivers, compact disc players, cassette players/ recorders, lasers, laser disc players and video cassette recorders, speakers, earphones and headphones, phonograph record players, audio and video storage devices, namely cases, boxes, and carrying bags for compact disc and audio and video cassette tape storage; compact hi-fi stereo systems, namely compact units including speakers, phonograph record players, cassette players /recorders or compact disc players, am-fm radio receivers and transmitters headphones and earphones, dvd portable audio/video devices.

2 The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

3 Scientific, nautical, surveying, electric, photographic; cinematographic, optical, weighing, measuring, signaling, checking (supervision), life-saving and teaching apparatus and instruments-, apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus-, telephones, cordless telephones, telephone accessories, namely cords, extensions cords, modular plugs and jacks, adaptors, couplers; telephone answering machines; cellular hands free accessories, mobile accessories; caller id boxes; portable cassette players and recorders; speakers; televisions, colour televisions, closed circuit televisions; televisions with karaoke sing-along systems; radios; clock radios, cd alarm clock radios-, headphones; earphones; audio cassette cleaners; ac surge protectors; cameras; battery chargers; audio connecting plugs and cords; batteries; microphones; stereos; stereo systems, stereo shelf systems; portable compact disc players, compact disc portable stereos with black and white television; portable mp3 digital players; digital versatile disc players and accessories, digital versatile disc htp systems, digital versatile disc recorders; portable digital versatile disc players; digital video disc players; digital and compact disc players; digital versatile discs; voltage converters and adapters; ac/dc and voltage converters and adapters, and antennas; video dubbing cables and video connecting plugs, blank video cassette tapes, video cassette cleaner, and\_ video cassette rewinders; calculators- satellite radios, gps (global positioning systems), multimedia players.

4 Annex "A" of the Manifestation & Motion, dated 09 December 2007.

5 Annex "B" of the Manifestation & Motion.

6 Annex "C" of the Manifestation & Motion.

7 Annex "D" of the Manifestation & Motion.

8 Annex "E" of the Manifestation & -Motion.

9 Annexes "F", "I", "J", and "K" of the Manifestation & Motion.

10 Annex "G" of the Manifestation & Motion.

11 Annex "H" of the Manifestation & Motion.

12 -Annex "L" of the Manifestation & Motion.

13 Annex "M" of the Manifestation & Motion.

14 Annex "N" of the Manifestation & Motion.

15 Annex "O" of the Manifestation & -Motion.

16 Exhibit "1".

17 Exhibit "2".

18 Exhibit "3", inclusive of sub-markings.

19 Exhibit "4", inclusive of sub-markings.

20 Order dated 01 February 2011.

21 See Annexes "C", "D", "F", "G", "H", "I", "J", "K", "M" and "N" of the Manifestation & Motion, date 09 December 2007

22 *Pribhdas J. Mirpuri vs. Court of Appeals*, G.R. No. 1144508, 19 November 1999.

23 See Affidavit of *Richard Goldberg*, page 12 Annex "C" of the Manifestation & Motion, dated 09 December 2007.

24 G. R. No. L-26557, 18 February 1970.